

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

DAVID WATER DISTRICT, FLOYD)	
COUNTY, KENTUCKY FOR)	
AUTHORIZATION OF ITS PROPOSED)	
SALE AND CONVEYANCE OF ALL ITS)	CASE NO. 97-474
WATER SYSTEM PROPERTY, ASSETS)	
AND FUNDS TO THE CITY OF)	
PRESTONSBURG, KENTUCKY)	

O R D E R

On November 13, 1997, David Water District ("David Water") filed an application pursuant to KRS 278.020(4) for Commission approval of the transfer of David Water's water system property, assets and funds to the City of Prestonsburg, Kentucky.

Having considered the evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. David Water currently owns and operates a waterworks system serving approximately 120 customers in Floyd County, Kentucky.
2. David Water is a water district organized pursuant to KRS Chapter 74.
3. City of Prestonsburg is a municipal corporation of the fourth class situated in Floyd County, Kentucky, and presently owns and operates a water treatment, supply and distribution system.
4. City of Prestonsburg has the financial, technical, and managerial abilities to provide reasonable utility service to the customers currently being served by David Water.

IT IS THEREFORE ORDERED that:

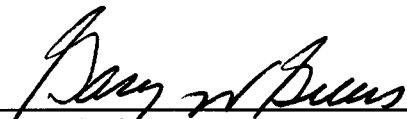
1. The proposed transfer is approved.
2. David Water shall give written notice to the Commission within 20 days of the closing of the proposed transfer.
3. Until formal closing occurs, the Commission shall retain jurisdiction over David Water.

Done at Frankfort, Kentucky, this 12th day of January, 1998.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director